

SENATE BILL 17 of the Second Extraordinary Session  
By Fowler

AN ACT to amend Tennessee Code Annotated, Title 67, relative to sales and use taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. As used in this act, unless the context otherwise requires:

(1) "Business" includes any activity engaged in by any person, or caused to be engaged in by the person, with the object of gain, benefit or advantage, either direct or indirect. "Business" does not include occasional and isolated sales or transactions by a person not routinely engaged in business;

(2) "Gross sales" means the sum total of all sales of tangible and intangible personal property and all proceeds of services as defined in this act, without any deduction whatsoever of any kind or character;

(3) "Person" means any individual, firm, partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit; and

(4) "Services" means and includes every activity, function or work engaged in by a person for profit or monetary gain except as otherwise provided in this act.

SECTION 2. (a) Any person engaged in business in this state having gross sales, as defined in this act, of one hundred thousand dollars (\$100,000) or more during the twelve (12) month period preceding the effective date of this act shall file quarterly reports with the department of revenue on or before the following dates:

April 15, 2000;  
July 15, 2000;  
October 15, 2000; and  
January 15, 2001.

The report shall contain the gross sales of such business for the three (3) months preceding the date the quarterly report is due. Gross sales shall include sales of all services that are not subject to sales and use taxes, sales of all services that are subject to sales and use taxes, sales of tangible and intangible personal property subject to sales and use taxes under title 67, and sales of tangible and intangible personal property not subject to sales and use taxes.

(d) The department of revenue shall develop a form to be completed by each business subject to the provisions of this act.

(e) The department of revenue shall compile the information provided by each business to which this act applies into four (4) categories:

- (1) Gross sales of services subject to sales and use taxes;
- (2) Gross sales of services not subject to sales and use taxes;
- (3) Gross sales of property subject to sales and use taxes; and
- (4) Gross sales of property not subject to sales and use taxes.

(f) The department of revenue shall prepare a report to be given to the governor and to each member of the general assembly within forty-five (45) days of receiving each quarterly report specified in subsection (a). Such report shall contain the information specified in subsection (e).

SECTION 3. (a) When any business fails to timely make any report specified by this act, there shall be imposed against that business a penalty in the amount of two percent (2%) of the business's gross sales of the month with the highest sales. Such penalty shall only apply to the

months covered by the report. Where a report is delinquent, the minimum penalty is twenty-five dollars (\$25.00).

(b) A report shall be considered untimely filed if not made on or before the delinquency date in Section 2 of this act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it. The provisions of this act shall expire and shall be repealed January 15, 2001.